

Republic of the Philippines

Department of Agrarian Reform
Diliman, Quezon City

Land Bank of the Philippines
Gil Puyat Ave., Makati City

JOINT DAR-LBP MEMORANDUM CIRCULAR

NO. 21
Series of 1996

TO : **All Concerned Officials and Personnel
of the DAR and LBP**

SUBJECT : **Valuation Guidelines for DBP and PNB Foreclosed Properties
Acquired Pursuant to Executive Order No. 407**

Based on the inventory conducted by the Department of Agrarian Reform (DAR), a significant number of agricultural properties foreclosed by the Development Bank of the Philippines (DBP) and the Philippine National Bank (PNB) which were transferred to the DAR pursuant to Executive Order No. 407 for coverage under the Comprehensive Agrarian Reform Program (CARP) could not be valued due to the absence of Sheriff's Certificate of Sale (SCS) and Appraisal Report (AR) required in the Memoranda of Agreement entered into by the LBP with the DBP and PNB on 21 February 1992 and 18 September 1992, respectively.

However, the DBP and PNB agreed during the Inter-agency meeting held on 03 July 1996 with the DBP, PNB, DAR, LBP and the Land Registration Authority (LRA), that all such DBP and PNB properties with lacking SCS and AR shall be valued in accordance with DAR Administrative Order (AO) No. 6, Series of 1992, as amended by DAR A.O. No. 11, Series of 1994.

In this regard, all concerned officials and personnel of the DAR and LBP are hereby directed to adopt the following guidelines in the valuation of DBP and PNB properties:

1. The DAR, thru its Provincial Agrarian Reform Officers (PAROs), shall submit to the concerned DBP and PNB branch offices a list of foreclosed properties turned over to the DAR for coverage under the CARP without SCS and AR documents and advise them to submit said documents within ninety (90) days from receipt of said list.

The PARO shall furnish the respective Head Offices of DBP and PNB as well as the E.O. 407/448 Task Force of the DAR Central Office with copies of the abovementioned list.

2. In case the Sheriff's Certificate of Sale (SCS) is not available, the DBP and PNB offices shall make representation with the concerned Register of Deeds (ROD) to make available a certified true copy of the SCS for the property.

In this connection, LRA Memorandum Order dated 26 July 1996 directs all RODs and Branch RODs to issue certified copies of Sheriff's Certificate of Sale to GFIs.



3. In case the Appraisal Report at the time of foreclosure is not available, an Appraisal Report dated two (2) years before or two (2) years after the date of foreclosure shall be submitted by the DBP and PNB to the DAR to serve as an alternative basis for the valuation of the property.
4. In the event DBP and PNB fail to submit the Sheriff's Certificate of Sale and Appraisal Report for the property within the 90-day period, the valuation shall be governed by DAR A. O. No. 6, Series of 1992, as amended by DAR A.O. No. 11, Series of 1994.

The DAR shall duly inform the concerned DBP and PNB offices in the event that their property shall be valued under the said DAR A.O.

5. In case, however, the required SCS and AR are made available within the said 90-day reglementary period, the LBP Land Valuation Office and other concerned offices shall process the property following the special valuation scheme embodied in the LBP-DBP and LBP-PNB Memoranda of Agreement issued in 1992.

This Memorandum Order shall take effect immediately.

Diliman, Quezon City, September 18, 1996.


ERNESTO D. GARILAO
Secretary, DAR


JESLI A. LAPUS
President and CEO, LBP